

**RESOLUTION BY REGIONAL WATER RESOURCE
AGENCY OF ITS SCHEDULE AND POLICIES FOR
RATES, RENTALS AND CHARGES FOR WASTEWATER
PURSUANT TO KRS CHAPTER 76.**

WHEREAS, the Regional Water Resource Agency published, pursuant to Chapters 76 and 424 of the Kentucky Revised Statutes, the schedule of rates, rentals and charges as set out herein; and

WHEREAS, said schedule was open for inspection at the Administrative Offices of the Regional Water Resource Agency, 1722 Pleasant Valley Road, Owensboro, Kentucky, for thirty (30) days; and

WHEREAS, on the 17th day of December, 2012, by Resolution of its Board, the Regional Water Resource Agency gave final approval for the schedule of rates, rentals and charges for its services set forth herein, to be recommended and forwarded to the Owensboro-Daviess County Rate Review Board for approval; and

WHEREAS, on the 18th day of December, 2012, the Owensboro-Daviess County Rate Review Board adopted the schedule of rates, rental and charges set forth herein.

NOW, THEREFORE, BE IT RECOMMENDED BY THE BOARD OF REGIONAL WATER RESOURCE AGENCY AND APPROVED BY THE OWENSBORO-DAVIESS COUNTY RATE REVIEW BOARD:

That Regional Water Resource Agency's is authorized to implement the schedule of wastewater rates, rentals and charges, set forth herein:

BASIC SERVICE CHARGE

A monthly Basic Service Charge of \$10.95, which provides up to 1,500 gallons of wastewater treatment service, will be charged to all RWRA Customers beginning April 1, 2013; and will increase to \$11.95 on July 1, 2014; and \$12.95 on July 1, 2016. The Wastewater User Charge schedule set forth herein will apply to all usage above 1,500 gallons.

WASTEWATER USER CHARGE

The Wastewater User Charge will increase to \$3.89 per 1,000 gallons on April 1, 2013; \$4.15 per 1,000 gallons on July 1, 2014; and \$4.39 per 1,000 gallons on July 1, 2015.

ENVIRONMENTAL IMPROVEMENT FEE

A monthly fee for community environmental improvements will be charged to all RWRA customers in the amount of \$1.00 beginning April 1, 2013; and will increase to \$2.00 on July 1, 2015; \$3.00 on July 1, 2017.

For non-residential customers whose monthly billable volume exceeds 15,000 gallons, a volume surcharge in the amount of \$0.07 per 1,000 gallons will be charged on the volume above 15,000 gallons beginning April 1, 2013, and this surcharge will increase to \$0.14 per 1,000 gallons on July 1, 2015, \$0.20 per 1,000 gallons on July 1, 2017.

QUALITY SURCHARGE

Beginning January 1, 2014, high-strength waste quality surcharges for Biochemical Oxygen Demand (B.O.D.) and Total Suspended Solids (T.S.S.) for customers exceeding 265 mg/l on either of these parameters will be \$0.220 and \$0.212 per pound respectively. Beginning January 1, 2014, the quality surcharge for customers exceeding 100 mg/l of Fats, Oils and Grease (F.O.G.) will be \$0.221 per pound.

CAPACITY FEE

Beginning January 1, 2014, the Capacity Fee for each new Equivalent Residential Unit (ERU) will be \$525.00. Qualified existing users are allowed to pay the Capacity Fee in monthly installments of \$3.76 per ERU. The Capacity Fee ERU is calculated using the following formula:

$$(\text{System Net Assets per audit} / \text{System Capacity of 21.8 mgd}) \times 250 \text{ gallons per ERU} =$$

Capacity Fee per ERU, after rounding to the nearest \$5.

HIGH VOLUME CAPACITY FEE DISCOUNT

Beginning January 1, 2014, new customers with water use over 100,000 gallons per day or customers that expand water use by over 100,000 gallons per day and who are not subject to the Quality Surcharge will have the option to pay a discounted Capacity Fee, calculated as follows:

100,001 – 200,000 gallons = 50% of the Current Capacity Fee per ERU

200,001 + gallons = 25% of the Current Capacity Fee per ERU

Customers, as defined above, that will generate high-strength quality discharges may not qualify for reductions available under the high volume Capacity

Fee discount or may not be allowed to connect until adequate pre-treatment is installed. RWRA will review parameters such as B.O.D., T.S.S., F.O.G. or other parameters to determine the available reduction based on the strength of the waste to be discharged.

SYSTEM DEVELOPMENT FEE

Beginning January 1, 2014 the System Development (SD) Fee will be \$2,178.00 per ERU. Qualified existing users are allowed to finance the SD Fee according to RWRA's adopted Finance Schedule. All customers requiring a permit for new construction shall pay the System Development Fee as a part of the permit application process.

NONRESIDENTIAL SYSTEM DEVELOPMENT FEE

New or expanding nonresidential customers with calculated flow of more than 100,000 gallons per day have the option to pay a Nonresidential System Development Fee as follows:

Step 1:

Calculate the System Development Fee that would be applicable.

Step 2:

a. Establish a cost estimate for the provision of sewer service to the proposed site, adequate to provide required service as determined by RWRA. This estimate is based on the assumption that the System Development lines, lift station(s), etc., do not exist, and the service would have had to be extended to the RWRA system, at a location (in RWRA's system) that existed prior to July 1, 1997, that is adequate to accept the proposed flow.

OR

b. Establish a cost estimate for the provision of service to the proposed site, based on a percentage of the costs of the system development project, or portion thereof, that provides service to the site or is used to transport the flow. This estimate could be based on percentage of line or lift station used, projected flow during peak and off-peak hours, or any other reasonable engineering estimate for the projected use of RWRA facilities.

Step 3:

Compare the calculated System Development Fee in Step 1 to the applicable cost established in Step 2(a) or (b), and charge the lower of the two fees to the potential customer.

CAPACITY AND SYSTEM DEVELOPMENT FEE FINANCING

Customers that have daily flow of 100,000 gallons or less are required to pay the established Capacity and System Development Fees outlined herein, at the time of permit issuance by RWRA.

Customers that have a daily flow above 100,000 gallons have the option to finance Capacity and/or System Development fees on their monthly billing at an interest rate of 6%.

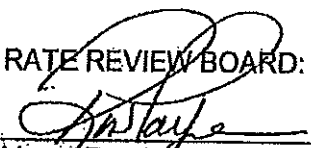
MISCELLANEOUS RATES, RENTALS, AND CHARGES

RWRA establishes, administers and enforces Wastewater System User Regulations, as required by the Kentucky Division of Water, the Environmental Protection Agency, and the Clean Water Act. Enforcement of these regulations can

result in charges including, but not limited to, fines, penalties, cleanup costs, repair reimbursements, and termination of service charges. RWRA may establish fees for these and other services and adjust such fees without approval of the Owensboro-Davless County Rate Review Board. The Basic Service Charge, Wastewater User Charge, Environmental Improvement Fee, Quality Surcharges, System Development Fee and Capacity Fee formula require approval of the Owensboro-Davless County Rate Review Board.

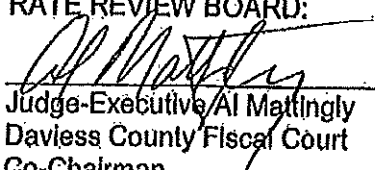
PUBLICLY READ, ADOPTED, AND APPROVED this the 18th day of
December, 2012.

RATE REVIEW BOARD:



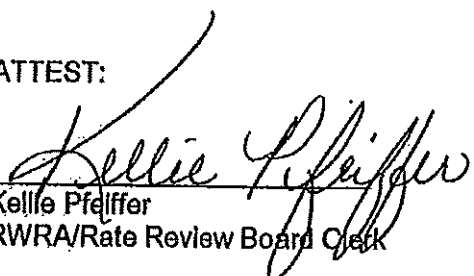
Mayor Ron Payne
City of Owensboro
Co-Chairman

RATE REVIEW BOARD:



Judge-Executive Al Mattingly
Davless County Fiscal Court
Co-Chairman

ATTEST:



Kellie Pfeiffer
RWRA/Rate Review Board Clerk